federal register

Tuesday
February 26, 1980

Part V

Office of Management and Budget

Budget Rescission and Deferrals

OFFICE OF MANAGEMENT AND BUDGET

Budget Rescission and Deferrals

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one revision to a previously transmitted rescission proposal decreasing the amount proposed by $6.4 million. In addition, I am reporting two new deferrals of budget authority totalling $20.0 million and two revisions to previously transmitted deferrals increasing the amount deferred by $13.9 million.

The revision to the rescission proposal affects the Health Resources Administration of the Department of Health, Education, and Welfare.

The new deferrals and revisions to existing deferrals involve programs in the Departments of Agriculture, Health, Education, and Welfare, and the Treasury.

The details of the revised rescission proposal and the deferrals are contained in the attached reports.

Jimmy Carter

THE WHITE HOUSE,
February 20, 1980.

BILLING CODE 3110-01-M

CONTENTS OF SPECIAL MESSAGE
(in thousands of dollars)

Rescission No.	Item	Budget Authority
	Department of Health, Education, and Welfare:	
	Health Resources Administration	
R80-2A	Health resources	97,768
Deferral No.		
	Department of Agriculture:	
	Farmers Home Administration	
D80-46	Mutual self-help housing	15,000
	Department of Health, Education, and Welfare:	
	Social Security Administration	
D80-47	Limitation on administrative expenses	5,000
	Human Development Services	
D80-13A	White House Conferences on Aging, Families, and Children	3,899
	Department of the Treasury:	
	Office of Revenue Sharing	
D80-23A	State and local government fiscal assistance fund	16,585 1/
	Subtotal, deferrals	40,484
	Total, rescission proposal and deferrals	138,252

* *

SUMMARY OF SPECIAL MESSAGES
FOR FY 1980
(in thousands of dollars)

	Rescissions	Deferrals
Fifth special message:		
New items	---	20,000
Change to amounts previously submitted	-6,450	13,850
Effect of fifth special message	-6,450	33,850
Previous special messages	122,332	3,219,410
Total amount proposed in special messages	115,882	3,253,260 2/

1/ Outlays only.

2/ This amount represents budget authority except for $16,585 thousand in a general revenue sharing deferral of outlays only (D80-23A).

SUPPLEMENTARY REPORT

Report pursuant to Section 1014(c) of P.L. 94-344

This report revises Rescission No. R80-2 transmitted to the Congress on January 28, 1980, and printed as House Document No. 96-259.

This revision to a rescission for the Health Resources Administration's Health resources account decreases the amount previously proposed for rescission from $104,218,000 to $97,768,000. The decrease of $6,450,000 results from a decision to include capitation grants for public health schools in funds available for obligation in FY 1980.

Rescission Proposal No: R80-2A

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency Department of Health, Education, and Welfare	New budget authority (P.L. 96-123) $ 688,202,000
Bureau Health Resources Administration	Other budgetary resources 7,284,526
Appropriation title & symbol	Total budgetary resources 695,486,526
Health Resources 7500712 1/, 756/00712, 75X0712	Amount proposed for rescission $ 97,768,000*
OMB identification code: 75-0712-0-1-550	Legal authority (in addition to sec. 1012): ☐ Antideficiency Act ☐ Other _____
Grant program ☒ Yes ☐ No	
Type of account or fund: ☒ Annual ☒ Multiple-year September 30, 1980 (expiration date) ☒ No-year	Type of budget authority: ☒ Appropriation ☐ Contract authority ☐ Other _____

Justification:* During the 1960's and early 1970's, the supply of health professionals increased dramatically, primarily as a result of increased Federal subsidies to expanded numbers of health professions students and training programs. Since 1960, the Federal government has spent about $18 billion to help increase the supply of health professionals by 50%. Between 1960 and 1975, the number of physicians in active practice increased 46%. By 1990, the supply of active physicians is expected to reach nearly 600,000, or an increase of 58% between 1975 and 1990. Moreover, the physician to population ratio rose from 142:100,000 in 1960 to 174:100,000 in 1975, and is expected to reach 244:100,000 in 1990 or 40% greater than in 1975.

In recognition of these trends, the President's 1979 and 1980 Budgets proposed phasing down general institutional support and concentrating on alleviating the problems of geographic maldistribution through service commitment scholarships and of overspecialization of medical practice through support of primary care training programs. These policies are continued in the President's 1981 Budget. The current adequate supply and potential oversupply during the 1980's underscore the point that special Federal subsidies are no longer required to increase the supply of particular categories of health professionals.

1/ This account was the subject of a similar rescission proposal in FY 1979 (R79-4).

* Changed from previous report.

The $97,768,000 in health professions training funds proposed for rescission in 1980 includes $81,268,000 for capitation grants and $16,500,000 for health professions non-service student loans. These funds have been identified as unnecessary to program needs for meeting the goal of providing health services to the medically underserved. This is in keeping with the strategy articulated in the President's 1980 and 1981 Budgets to terminate capitation grants by 1981 and initiate phaseout of other institutional subsidies and student assistance programs that in the past have served to increase the supply of health professionals without regard to specialty or geographic shortages.

Capitation grants are not the most efficient means for correcting either specialty or geographic maldistribution problems. The Administration supports various training programs that are more effective in addressing the health services needs of the coming decade, including service commitment scholarships, family medicine and primary care residency training grants, and grants to develop family medicine departments and for the training of nurse practitioners and physician assistants. Health professions schools will be able to accommodate this loss of capitation subsidies -- which account for less than 5% of medical schools' total revenues -- through increased tuition, State appropriations, more efficient management, or by reducing the high faculty costs created by faculty to student ratios in medical schools currently at 10 faculty members for every 13 students. Average medical tuition is now only about $3,000 per year and as a percentage of total medical school revenues has remained at an average of 4%-5% over the last ten years. Moreover, even with the loss of these capitation subsidies, medical and other health professions schools will remain filled to capacity. The nation's 126 medical schools have 2.5 times as many qualified applicants as places and will be producing in excess of 16,000 new physicians anually during the 1980's.

The Budget proposes that the Health Professions Student Loan (HPSL) program be phased out in favor of service commitment programs, e.g., the National Health Service Corps (NHSC) scholarship program. While the HPSL program includes a partial Federal repayment provision (60% to 85%) for service in shortage areas, the Administration is proposing that the Health Education Assistance federally guaranteed loan program (HEAL) -- which has the same loan-repayment provision -- become the primary source of Federal loan support for graduate health professions training. The HEAL program will provide access to financial markets for health professions students who prefer not to make a service commitment. Health professions students are also eligible for

Department of Health, Education, and Welfare guaranteed student loans, which have an interest subsidy but are limited in annual amounts to $5,000 and aggregate amounts to $15,000. For the 1980-1981 academic year, it is estimated that the HEAL program will provide loan guarantees totaling $40 million among 5,000 students in over 300 eligible institutions. The HPSL program will continue to support health professions training through existing revolving fund resources which total $16 million in 1980.

Estimated Effects:* Federal support for HEW health professions training programs will continue at a level of $416.8 million in 1980, including $85.5 million for NHSC scholarships and $108.5 million for primary care and family medicine training, area health education centers, and grants for nurse practitioner and physician assistant training. The proposed rescission of $97.8 million will not affect the goal of providing improved health services to the medically underserved.

Outlay Effect:* (estimated in millions of dollars)

1. Budget outlay estimate for FY 1980 (anticipates congressional approval of this proposal).....	$566.4
2. Outlay estimate if this proposal is not approved..	578.1
3. 1980 outlay savings attributable to this proposal.	11.7
Outlay savings for FY 1981.....	34.4
Outlay savings for FY 1982.....	51.7

* Changed from previous report.

HEALTH RESOURCES ADMINISTRATION

Health Resources

Of the funds provided for "Health resources" for fiscal year 1980 in P.L. 96-123, making further continuing appropriations for the fiscal year 1980, $97,768,000 are rescinded.

Deferral No: D80-46

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency: Department of Agriculture	New budget authority (P.L. 96-108) $ 5,000,000
Bureau: Farmers Home Administration	Other budgetary resources 24,728,578
Appropriation title & symbol: Mutual and Self-Help Housing 12X2006	Total budgetary resources 29,728,578
	Amount to be deferred: Part of year $ ---
	Entire year 15,000,000
OMB identification code: 12-2006-0-1-604	Legal authority (in addition to sec 1013): [X] Antideficiency Act
Grant program [X] Yes [ ] No	[ ] Other
Type of account or fund: [ ] Annual [ ] Multiple-year (expiration date) [X] No-year	Type of budget authority: [X] Appropriation [ ] Contract authority [ ] Other

Justification:

This grant program was authorized by Public Law 90-448, approved August 1, 1968. It provides grants to local organizations to promote the development of mutual and self-help housing programs under which groups (usually six to ten families) build their own homes by mutually exchanging labor. Funds may be used to guide them in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

The amount deferred will not be needed to meet program requirements during this fiscal year. Therefore, these funds are deferred for use in FY 1981. No new appropriations were requested in FY 1981 since the deferred funds will provide for an adequate program level.

Estimated Effects:

This deferral has no programmatic or budgetary effect because the funds would not be obligated if made available.

Outlay Effect:

This deferral action has no effect on outlays.

Deferral No: D80-47

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency: Department of Health, Education, and Welfare	New budget authority (P.L. 96-123) $ 27,792,000
Bureau: Social Security Administration	Other budgetary resources 20,143,441
Appropriation title & symbol: Limitation on Administrative Expenses 1/ 75X8704	Total budgetary resources 47,935,441
	Amount to be deferred: Part of year $ ---
	Entire year 5,000,000
OMB identification code: 75-8007-0-7-601	Legal authority (in addition to sec. 1013): [X] Antideficiency Act
Grant program [ ] Yes [X] No	[ ] Other
Type of account or fund: [ ] Annual [ ] Multiple-year (expiration date) [X] No-year	Type of budget authority: [X] Appropriation [ ] Contract authority [ ] Other

Justification:

For fiscal year 1980, $27,792,000 was made available under the continuing resolution (P.L. 96-123) for the Limitation on Administrative Expenses (construction activities) of the Social Security Administration (SSA). These amounts remain available until expended in recognition of the long lead time between the provision of funds and their use in carrying out authorized construction projects.

Actual purchase contract billings for fiscal years 1978 and 1979, and currently estimated payments for FY 1980, are less than the amounts made available. In large part, this is caused by State and local property taxes that were lower than expected--a difficult-to-estimate component of the purchase contract payments. As a result, SSA does not expect to need $5,000,000 of the funds made available through FY 1980 for purchase contract payments on Program Service Centers in FY 1980. Thus, these funds are deferred until FY 1981. This deferral action is taken pursuant to the Antideficiency Act (31 U.S.C. 665).

Estimated Effects:

Sufficient funds are available to permit SSA to carry out its construction program in an orderly manner. No currently planned construction would be delayed by this deferral.

Outlay Effect:

This deferral action has no effect on outlays.

1/ This account was the subject of a similar deferral during FY 1979 (D79-12).

D80-13A

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 94-344

This report revises Deferral No. D80-13 transmitted to the Congress on October 1, 1979, and printed as House Document No. 96-198.

This revision to a deferral for Human Development Services in the Department of Health, Education, and Welfare reflects an increase of $1,603,720 and a change in justification to include the White House Conference on Children and Youth within the coverage of the deferral. In addition, the amount previously reported as deferred for the White House Conference on Aging and the White House Conference on Families has been reduced from $4,648,510 to $2,294,978.

Deferral No: D80-13A

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Health, Education, and Welfare	New budget authority (P.L. 96-123) $3,000,000*
Bureau	Other budgetary resources 7,219,396*
Appropriation title & symbol * 75X1636 Human Development Services 1/ (White House Conference on Aging, White House Conference on Families and White House Conference on Children and Youth)	Total budgetary resources 10,219,396*
	Amount to be deferred: Part of year $ *
	Entire year 3,898,698*
OMB identification code: 75-1636-0-1-500	Legal authority (in addition to sec. 1013): ☒ Antideficiency Act * ☐ Other
Grant program ☐ Yes ☒ No	
Type of account or fund: ☐ Annual ☐ Multiple-year (expiration date) ☒ No-year	Type of budget authority: ☒ Appropriation ☐ Contract authority ☐ Other

Justification:*

P.L. 96-38 provided a $3,000,000 appropriation for a White House Conference on Aging to be held in December 1981 for the purpose of developing recommendations for a comprehensive national policy on aging. These funds are to remain available until expended and are intended to cover the entire costs of planning and carrying out this conference.

P.L. 95-205 provided a $3,000,000 appropriation for a White House Conference on Families for the purpose of addressing the role and responsibility of the public and private sectors of society and that of the Federal government in addressing national issues relating to families, and to make recommendations regarding these issues: These funds are available until expended.

P.L. 96-123 provided a $3,000,000 appropriation for a White House Conference on Children & Youth to be held to explore the problems of the American family and examine the impact of our institutions, public policies and laws, employment, media, and voluntary organizations on the capability of families to meet basic needs and respond to changes and increased pressures produced by our society. These funds are also to remain available until expended and are intended to cover the entire costs of planning and carrying out this conference through fiscal year 1981.

This deferral action is based on approved operating budgets for FY 1980 which provide funds for all FY 1980 anticipated obligations and commitments. Amounts being deferred will be required to support the costs of conducting the conferences in subsequent years.

1/ This account was the subject of two similar deferrals during FY 1980 (D79-60 and D79-63).
* Changed from previous report.

D80-13A

Estimated Effects:

This deferral has no programmatic or budgetary effect because the funds would not be obligated if made available.

Outlay Effect:

This deferral has no effect on outlays.

D80-23A

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report updates Deferral No. D80-23 transmitted to the Congress on October 1, 1979, and printed as House Document No. 96-198.

This revision of a deferral for the State and Local Government Fiscal Assistance Trust Fund in the Office of Revenue Sharing increases the previously reported deferral from $2,734,554 to $16,584,842. This increase of $13,850,288 results from witholding payments from various governments for reasons of noncompliance with the technical requirements of the State and Local Fiscal Assistance Act, as amended.

Deferral No: D80-23A

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency: Department of the Treasury	New budget authority (P.L. 96-103) $6,854,924,000*
Bureau: Office of Revenue Sharing	Other budgetary resources 79,543,660*
Appropriation title & symbol: State and Local Government Fiscal Assistance Trust Fund 1/ 20X8111	Total budgetary resources 6,934,467,660*
	Amount to be deferred: Part of year $ 16,584,842 2/*
	Entire year ---
OMB identification code: 20-8111-0-7-851	Legal authority (in addition to sec. 1013): [x] Antideficiency Act P.L. 92-512, Sect. 121 & 123
Grant program [x] Yes [ ] No	[x] Other P.L. 94-488
Type of account or fund: [ ] Annual [ ] Multiple-year _____ (expiration date) [x] No-year	Type of budget authority: [x] Appropriation [ ] Contract authority [ ] Other _____

Justification:

The State and Local Government Fiscal Assistance Trust Fund is the vehicle for disbursement of general revenue sharing funds. This deferral represents payments withheld from various governments involved in annexations or disincorporations and for reasons of noncompliance with the requirements of the State and Local Fiscal Assistance Act, as amended.

Estimated Effect:

The release of these funds is contingent upon adherence by the various governments to the compliance regulations, and determinations as to which higher level of government is eligible to receive those funds withheld because of annexations and disincorporations.

Outlay Effect:

This deferral action has no effect on outlays.

1/ This account is currently the subject of another deferral (D80-22) and was the subject of two similar deferrals during FY 1979 (D79-25A and D79-24A).

2/ Deferral of outlays only.

* Revised from previous report.

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